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REORGANIZATION PLAN NO. 9 OF 1953

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REORGANIZATION PLAN NO. 9 OF 1953

JUNE 1, 1953.—Referred to the Committee on Government Operations and ordered to be printed

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 9 of 1953, prepared in accordance with the Reorganization Act of 1949, as amended, and providing reorganizations in the Council of Economic Advisers in the Executive Office of the President.

The legislative history of the Employment Act of 1946 makes it clear that it is the determination of the Congress to help develop a strong economy in the United States. A strong economy is necessary to preserve the peace, to build our defenses and those of the free world, to raise the living standards of our people, and to stimulate trade and industry in friendly countries throughout the world.

A strong economy means a free economy—with full opportunities for the exercise of initiative and enterprise on the part of all individuals.

It means a stable economy—so that satisfying jobs are as numerous as the men and women seeking work, and the production of goods is abundant to meet our needs.

It means an expanding economy—in which workers, managers, and farmers, using more and better tools, constantly increase the output of useful products and services and receive steadily rising incomes in a dollar of stable value.

It means a humane economy—to the end that the aged, infirm, and those suffering hardships receive every needed help.

The achievement and preservation of a strong economy—an economy that is progressive as well as competitive, an economy that remains free from the distortions of inflation and the ravages of depression, an economy that forms the solid foundation for the flourishing of our democratic, social, and political institutions—is everybody's job. Workers, businessmen, bankers, farmers, housewives—all have an important role to play. The Federal Government, too, shares in this vital task. For example, the duties of the President require that he be fully informed of major economic trends and activities in order to recommend proper measures for the consideration of the Congress, and to take into account economic realities in seeing that the laws be faithfully executed.

It is well that the Congress has declared in the Employment Act of 1946, the continuing policy and responsibility of the Federal Government to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, consistently with free competitive enterprise and the general welfare, employment opportunities for all. That act dedicates the Federal Government to the promotion of maximum employment, production, and purchasing power.

To assist in carrying out those purposes, the Congress provided for the establishment of the Council of Economic Advisers in the Executive Office of the President to make appropriate recommendations to the President and to assist in the preparation of his annual economic report to the Congress.

I believe in the basic principles of the Employment Act, and it is my purpose to take the appropriate actions to reinvigorate and make more effective the operations of the Council of Economic Advisers. Our needs for proper advice on economic matters are equaled only by our needs to have the very best advice and planning on matters of national security.

In taking these actions, I have the benefit of the study and work of the Economic Adviser to the President recently provided by the Congress. The Economic Adviser has reviewed the past operations of the Council of Economic Advisers and has recommended to me a series of actions aimed at making it more fully effective in performing its statutory duties.

Accordingly, I intend to appoint a full membership of three members to the Council of Economic Advisers and to recommend to the Congress that adequate funds be appropriated to operate the Council as a fully going unit capable of providing the kind of economic staff work required.

The accompanying reorganization plan provides changes which strengthen the internal administration of the Council and clarify its relationships with the President.

To achieve the first objective—strengthened internal administration—the reorganization plan will make the Chairman of the Council, rather than the whole Council, responsible for certain administrative functions of the Council. Because the Council is essentially an advisory body, these administrative functions relate principally to managing the staff employed to assist the Council. Placing the Chairman in a position to perform these functions will obtain the benefits of single management of the staff. To make possible such an arrangement, the accompanying reorganization plan transfers to the Chairman the functions vested in the Council of Economic

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Advisers by section 4 (b) of the Employment Act, which relate to employing the staff and other necessary specialists and consultants to work for the Council.

To further the other objective—a clearer relationship with the President—the reorganization plan transfers to the Chairman the function of reporting to the President on the activities of the Council. This change will improve and simplify the relationship of the Council to the President and enable the President to deal with the Council more directly through the Chairman.

The increased responsibilities placed upon the Chairman by this plan would, in my judgment, make it appropriate for the Congress to take action to increase the compensation of the Chairman.

The reorganization plan provides for the elimination of the Vice Chairman of the Council of Economic Advisers, whose designation is provided for in the last sentence of section 4 (a) of the Employment Act of 1946. The objective of this step is to place the members of the Council, other than the Chairman, in an equal status. I shall make provision for one of the members of the Council, other than the Chairman, to act as Chairman of the Council on such occasions as necessity may arise therefor.

In order to make the work of the Council of Economic Advisers more effective at the top policy level of the executive branch, I am also asking the heads of several departments and agencies, or the representatives they may designate, to serve as an Advisory Board on Economic Growth and Stability, under the chairmanship of the Chairman of the Council of Economic Advisers. At all times, close liaison must be maintained by the Council with all departments and agencies, and with interdepartmental committees, especially the National Advisory Council on International Monetary and Financial Problems.

It is contemplated that the Advisory Board on Economic Growth and Stability, supported by the existing staffs of the various departments and agencies, will meet frequently, and through its Chairman will keep me closely informed about the state of the national economy and the various measures necessary to aid in maintaining a stable prosperity.

Because of the complexity of our economy and the variety of views regarding its problems, I shall expect the new Council of Economic Advisers to seek advice energetically not only from the departments and agencies of the Federal Government but also from representatives of industry, agriculture, labor, consumers, and other groups concerned with economic matters, from representatives of State and local governments, and from universities. I want the best economic thinking in the country to be canvassed by the Council. Through advisory groups, through the employment of expert consultants, and through informal relationships with informed citizens the Council will make use of economic talent wherever it may be.

I deem it especially significant that the Congress has provided in the Employment Act for the Joint Committee on the Economic Report, composed of Members of both Houses of the Congress, to study matters relating to the economic report and to make recommendations to the two Houses for legislation. I expect to impress upon the Council of Economic Advisers the importance which I attach to the fullest cooperation of the Council with the Joint Committee to assist the Joint Committee in its important tasks.

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After investigation I have found and hereby declare that each reorganization included in the accompanying reorganization plan is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949, as amended.

The taking effect of the reorganizations included in the accompanying reorganization plan is expected to result in a more effective performance of the statutory functions of the Council of Economic Advisers and to provide the President with better advice upon economic matters. It is impracticable to specify or itemize at this time any reduction of expenditures which it is probable will be brought about by the taking effect of this reorganization plan.

The reorganization plan will make the Federal Government better able to carry out its responsibilities to the American people to foster a strong, free, and prosperous economy so that we may all enjoy an ever-rising standard of living. I urge the Congress to permit the reorganization plan to become effective.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 1, 1953.*

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(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 1, 1953, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949, as amended)

COUNCIL OF ECONOMIC ADVISERS

The functions vested in the Council of Economic Advisers by section 4 (b) of the Employment Act of 1946 (60 Stat. 24), and so much of the functions vested in the Council by section 4 (c) of that Act as consists of reporting to the President with respect to any function of the Council under the said section 4 (c), are hereby transferred to the Chairman of the Council of Economic Advisers. The position of Vice Chairman of the Council of Economic Advisers, provided for in the last sentence of section 4 (a) of the said Act, is hereby abolished.

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